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THE *Livestock* SITUATION

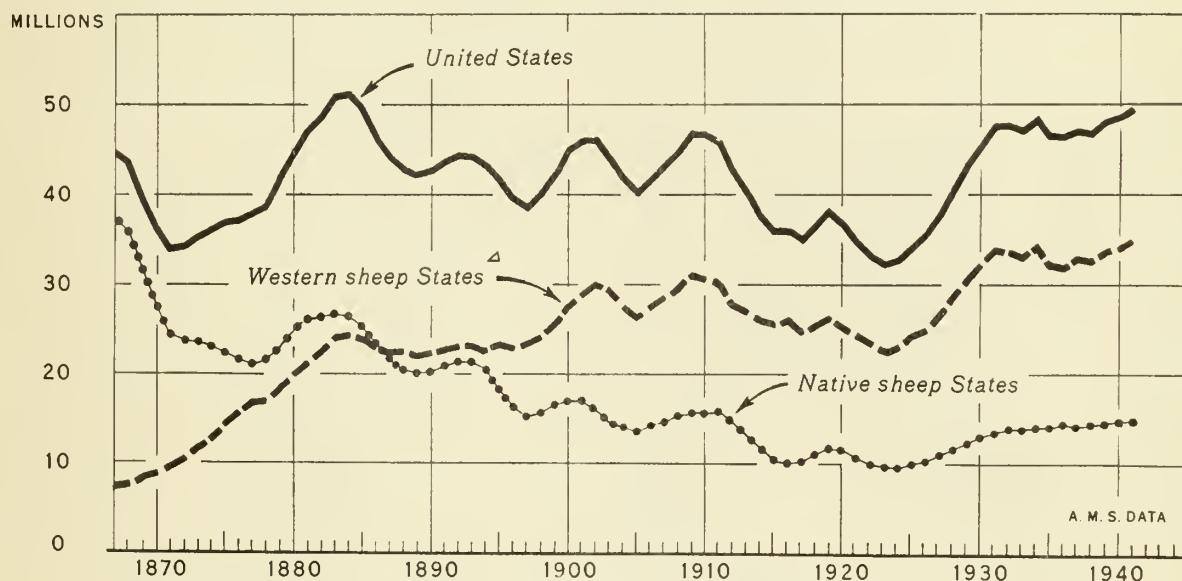
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-21

BAE

MARCH 1941

STOCK SHEEP AND LAMBS: NUMBER ON FARMS JANUARY 1, 1867-1941 *



*EXCLUDES SHEEP AND LAMBS ON FEED FOR MARKET

△ INCLUDES 11 WESTERN STATES, TEXAS, AND SOUTH DAKOTA
DATA FOR 1941 ARE PRELIMINARY

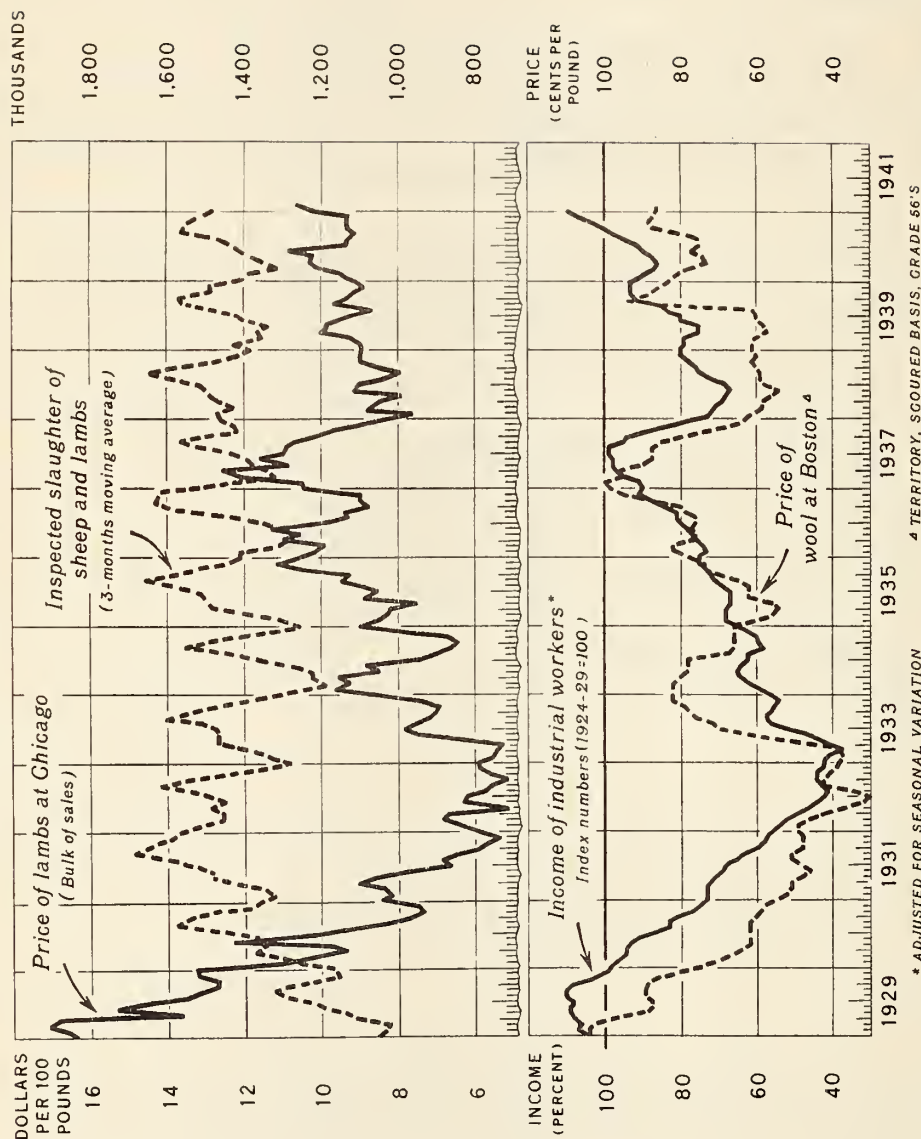
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THE NUMBER OF STOCK SHEEP ON FARMS AND RANCHES ON JANUARY 1 TOTALLED 49.7 MILLION HEAD, NEARLY 1 MILLION MORE THAN A YEAR EARLIER AND THE LARGEST NUMBER SINCE 1884. APPROXIMATELY HALF (492,000 HEAD) OF THE INCREASE DURING 1940 WAS IN TEXAS. NUMBERS INCREASED 259,000 HEAD IN THE REMAINING WESTERN SHEEP STATES AND 212,000 HEAD IN THE NATIVE SHEEP STATES DURING THE YEAR. SHEEP PRODUCTION HAS INCREASED GREATLY IN TEXAS DURING THE PAST 20 YEARS.

PRICES OF LAMBS AT CHICAGO AND OF WOOL AT BOSTON, SLAUGHTER OF SHEEP AND LAMBS, AND INCOME OF INDUSTRIAL WORKERS, UNITED STATES, 1929-41



U. S. DEPARTMENT OF AGRICULTURE

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FIG. 1.- CHANGES IN PRICES OF LAMBS ARE CAUSED CHIEFLY BY (1) CHANGES IN SLAUGHTER SUPPLIES OF SHEEP AND LAMBS; (2) CHANGES IN CONSUMER DEMAND, MEASURED IN THIS CHART BY INCOMES OF INDUSTRIAL WORKERS; AND (3) CHANGES IN WOOL PRICES WHICH AFFECT THE VALUE OF PELTS OBTAINED FROM SLAUGHTERED SHEEP AND LAMBS. SLAUGHTER SUPPLIES OF SHEEP AND LAMBS MAY BE A LITTLE LARGER IN 1941 THAN IN 1940, BUT CONSUMER DEMAND CONDITIONS AND WOOL PRICES ARE EXPECTED TO AVERAGE MATERIALLY HIGHER THIS YEAR THAN LAST.

THE LIVESTOCK SITUATION

Summary

Total slaughter supplies of livestock are expected to be somewhat smaller during the next 6 months than the near-record supplies a year earlier. Moderately larger supplies of sheep and lambs, and cattle and calves are in prospect, but marketings of hogs are expected to total around 15 percent smaller than in the corresponding period of 1940. If consumer demand conditions continue to improve in 1941 as is expected, prices of all livestock and cash farm income from meat animals probably will average higher during this period than a year earlier.

The early lamb crop is somewhat larger this year than last. Weather conditions have been exceptionally favorable for lambing this year, and death losses have been light. Feed supplies are ample in all regions, and early lambs are expected to develop rapidly. Marketings of early lambs from California and Arizona may be a little later this year than last. The total number of early lambs marketed before July 1 probably will be a little larger than in 1940.

Hog marketings are expected to increase seasonally during the late spring as the market movement of fall pigs gets under way. But slaughter supplies of hogs during the last half of the marketing year (April-September) are expected to be about 15 percent smaller than in the corresponding period of 1940.

Marketings of slaughter cattle will increase seasonally during the spring and summer, and total slaughter for the year is expected to be a little

larger than in 1940. Supplies of grain-fed cattle will be relatively large this summer and fall, with the peak in marketings expected to occur a little later than usual. The upward trend in cattle numbers now taking place appears likely to continue for 2 or 3 more years. Supplies of cattle and calves for slaughter will increase moderately in this period. But once the peak in numbers is reached a marked increase in the slaughter of cattle and calves will occur. If such an increase begins at the end of 2 or 3 years, consumer demand may be weaker than it is now, and a substantial decline in cattle prices could hardly be avoided.

Slaughter supplies of all livestock were reduced seasonally from January to February, partly because of the fewer number of market days in February. The decrease from January was quite large for cattle, but slaughter of other livestock was reduced by about the usual seasonal amount. Compared with a year earlier, inspected slaughter in February was 13 percent smaller for hogs, 6 percent larger for sheep and lambs, but about the same for cattle and calves.

Prices of slaughter cattle and hogs have followed a downward trend since mid-January. On the other hand, lamb prices strengthened considerably during February but weakened a little in early March. Despite recent declines, prices of both cattle and hogs are still well above the levels which prevailed in early 1940. Lamb prices are only moderately higher than in early March last year.

The higher level of livestock prices thus far in 1941 than a year earlier is due partly to the increase in incomes of consumers, which has strengthened the demand for meats, and partly to the decrease in hog marketings.

-- March 18, 1941

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog prices declined during February

Hog prices have followed a downward trend for the past 8 weeks - since the peak reached on January 15. The decline has not been great, however, and prices are still well above the level which prevailed last fall. Ordinarily prices advance somewhat from about mid-January through February, as hog marketings decrease seasonally. This year, however, there was a sharp rise in late December and early January. The average price of butcher hogs at Chicago for the week ended March 15 was about \$7.65 compared with \$8.25 in mid-January and the early winter level of around \$6.20. Wholesale prices of pork products and live hogs are now around 45 to 50 percent higher than a year earlier but lard prices are only slightly higher than in early March last year.

Corn prices have held about steady in recent weeks, and the hog-corn price ratio has declined along with the price of hogs since mid-January. The ratio of the average price of all hogs to the price of No. 3 Yellow corn at Chicago for the week ended March 15 was 11.8, which is only a little above the long-time average of 11.6 but is well above the unfavorable ratio of 8.7 in mid-March last year.

Slaughter supplies of hogs decreased
seasonally in February

The weekly rate of hog marketings has decreased seasonally during the past 2 months. Slaughter of hogs under Federal inspection during February totaled 3,725,000 head, about 13 percent less than in January and 13 percent less than in February last year. A part of the decrease from the preceding month was due to the fewer market days in February than in January. Average weights of hogs marketed in February were seasonally heavier than in January and a little heavier than in February last year.

Exports of pork continued
small in January

Exports of pork during January amounted to only 2.3 million pounds. This is not greatly different from the small quantities shipped abroad in other recent months, but it is considerably smaller than the 28.6 million pounds exported in January last year. Most of the decrease from a year earlier was in cured pork to the United Kingdom and fresh and frozen pork to Canada. Imports of pork during January amounted to 1.0 million pounds, compared with .7 million pounds in January last year.

Exports of lard totaling 13.7 million pounds were somewhat larger in January than in December, but they were only about half as large as in January 1940. Most of the lard exports during January were to Mexico and Cuba, although 1.6 million pounds also were shipped to Japan, which ordinarily imports little lard from the United States.

On page 7 of the February issue of this publication was included a table showing the total value of net exports of pork and lard. These figures were partially inaccurate, and are corrected in the table below.

Hog products: Total value of exports, imports,
and net exports, 1921-40 1/

Calendar year	:	Exports	:	Imports	:	Net exports
	:	<u>1,000 dollars</u>	:	<u>1,000 dollars</u>	:	<u>1,000 dollars</u>
1921	:	245,858	:	244	:	245,614
1922	:	212,988	:	253	:	212,735
1923	:	266,616	:	343	:	266,273
1924	:	229,213	:	1,258	:	227,955
1925	:	225,277	:	1,959	:	223,318
1926	:	198,047	:	3,238	:	194,809
1927	:	147,479	:	5,816	:	142,163
1928	:	152,594	:	3,377	:	149,207
1929	:	169,593	:	2,549	:	166,849
1930	:	125,423	:	1,701	:	123,727
1931	:	76,444	:	1,190	:	75,254
1932	:	43,946	:	1,088	:	42,858
1933	:	49,585	:	638	:	48,917
1934	:	47,311	:	511	:	46,600
1935	:	23,736	:	2,163	:	26,623
1936	:	27,511	:	9,566	:	17,945
1937	:	29,307	:	17,844	:	11,463
1938	:	35,648	:	13,383	:	22,265
1939 <u>2/</u>	:	40,406	:	10,676	:	29,730
1940 <u>2/</u>	:	22,629	:	1,202	:	21,427

1/ Exports include pork, fresh and frozen, hams and shoulders, bacon, sides, pickled pork, canned pork, lard and neutral lard; imports include fresh pork, hams, shoulders and bacon, pickled pork and lard.

2/ Preliminary.

Storage stocks of pork and lard increased seasonally during February

The net in-storage movement of pork during February amounted to about 50 million pounds and raised storage holdings to 790 million pounds. The increase in storage stocks during the month was a little smaller than in February last year. Storage holdings of pork on March 1 were about 20 percent larger than a year earlier and about 30 percent larger than the 1935-39 March 1 average.

Storage stocks of lard also increased seasonally during February but the in-storage movement was much smaller than for the corresponding month last year. However, because of the large stocks of lard accumulated last season, storage stocks on March 1 were raised to 317.5 million pounds, the largest amount for any date on record. The net in-storage movement of lard so far this season (November-February) has amounted to about 94 million pounds,

compared with about twice that amount in the corresponding months last year. Included in the March 1 storage holdings of lard were 6.7 million pounds owned by the Surplus Marketing Administration. Stocks of rendered pork fat, now distinguished from lard, totaled 8.4 million pounds.

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat
	Average			Average			
	1934-35	1939-40	1940-41	1934-35	1939-40	1940-41	
	to			to			
	1938-39			1938-39			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	344.6	300.2	329.2	87.6	78.8	235.7	1/
Nov.	323.7	272.7	303.7	69.6	68.7	223.2	1/
Dec.	378.9	332.3	408.9	71.8	89.0	232.5	5.1
Jan.	502.0	469.5	656.2	95.6	162.1	287.0	7.1
Feb.	584.6	588.6	739.9	120.5	202.2	299.6	7.2
Mar.	603.7	650.7	2/ 790.4	126.7	256.6	2/ 317.5	2/ 8.4
Apr.	580.1	652.7		129.9	268.8		
May	561.3	612.0		129.1	266.1		
June	515.7	592.6		129.4	283.9		
July	474.7	598.5		150.2	306.8		
Aug.	422.6	546.7		121.2	363.2		
Sept.	361.9	417.6		101.8	272.3		

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

CATTLE

Prices of slaughter cattle declined during February and early March

Prices of slaughter cattle have declined steadily since mid-January despite a moderate reduction in the weekly rate of marketings. Prices are still above the level which prevailed in early 1940, however. The decline has been more pronounced for the upper than for the lower grades of slaughter cattle, and the price spread between grades is now only a little wider than it was a year ago. Prices of the lower grades ordinarily advance relative to prices of well-finished cattle in the spring and early summer. The average price of good grade beef steers at Chicago for the week ended March 15 was \$11.10, compared with \$12.55 in mid-January and \$9.80 in the corresponding week of 1940.

Prices of veal calves declined somewhat more than the usual seasonal amount in early March. Prices of feeder cattle have held about steady in recent weeks despite the marked downward trend in prices of fat cattle. Prices of feeder steers at Kansas City in early February were about 90 cents to \$1.00 higher than a year earlier.

Slaughter supply of cattle decreased
seasonally in February

Marketings of slaughter cattle decreased seasonally in February. The total number of cattle slaughtered under Federal inspection during the month was 717,000 head, 19 percent less than in January but slightly more than in February last year. Marketings of grain-fed cattle in February appear to have been slightly larger than in the corresponding month of 1940. Inspected calf slaughter, totaling 384,000 head in February, also was smaller than a month earlier and a little larger than a year earlier.

Imports of cattle increased in January

Imports of cattle increased materially in January, as has been the tendency in the first month of most quarters since the conclusion of the 1939 trade agreement with Canada. Total imports for the month amounted to 78,000 head, compared with 40,000 head in December and 70,000 head in January last year. Most of the increase over December was in cattle weighing over 700 pounds, exclusive of dairy cattle, to which quarterly quotas apply under the 1939 trade agreement. Imports of calves from Canada and of feeder cattle and calves from Mexico also were a little larger in January than in December.

Most of the 8,000-head increase in January imports over those of a year earlier was in shipments from Canada. Imports from Mexico totaling 61,000 head were only a little larger than a year earlier. The increase in Canadian imports was mostly in cattle weighing over 700 pounds, excluding dairy cattle.

Cattle imports from Canada, Mexico, and all countries, by weight
groups, and imports of beef and veal, January 1936-41

Pe- riod	Cattle									Beef and veal	
	Canada			Mexico			All countries			total all countries	
	Under 700 lb.	700 lb. and over	All cattle	Under 700 lb.	700 lb. and over	All cattle	Under 700 lb.	700 lb. and over	All cattle	Canned beef	veal fresh pickled and cured
	No.	No.	No.	No.	No.	No.	No.	No.	No.	1,000 lb.	1,000 lb.
Jan. :											
1936:	1,728	8,574	10,950	8,499	2,319	10,822	10,227	10,893	21,772	7,642	773
1937:	5,333	21,536	28,100	16,443	6,327	23,141	21,899	27,872	51,373	1,174	591
1938:	3,942	3,861	8,677	9,913	4,213	14,222	13,859	8,074	22,903	3,075	239
1939:	3,665	28,743	33,461	55,879	25,711	81,620	59,591	54,454	115,128	4,365	314
1940:	3,083	5,745	10,033	45,078	14,910	60,274	48,161	20,655	70,307	8,407	304
1941:	3,307	12,118	17,261	49,576	11,384	60,973	52,883	23,502	78,234	5,363	3,193
Dec. :											
1940:	1,045	5,764	8,361	31,570	142	31,764	32,615	5,906	40,125	4,067	2,380

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile.

Total imports of beef and veal amounting to 8.6 million pounds during January were not greatly different from those of a year earlier. Imports of canned beef, chiefly from Argentina and Brazil, were smaller than in January last year, but imports of fresh beef were larger. Imports of fresh beef from Cuba, which ordinarily are small, amounted to 2.9 million pounds in January.

LAMBS

Lamb prices weakened moderately in early March

Prices of sheep and lambs advanced during February despite the downward trend in prices of other livestock. Lamb prices weakened a little in early March but most of the February advance was maintained. The average price of good and choice grade slaughter lambs at Chicago for the week ended March 15 was \$10.95, compared with \$10.50 a month earlier and \$10.00 in the corresponding week of 1940. Prices of slaughter ewes have made somewhat more than the usual seasonal rise in recent months and in mid-March were around 60 cents higher than a year earlier. Prices of sheep and lambs have been supported by strong wool prices in recent weeks.

Marketings of sheep and lambs decreased seasonally in February

Marketings of sheep and lambs decreased seasonally in February. Slaughter under Federal inspection during the month totaled 1,391,000 head, about 14 percent less than in January but slightly more than in February last year. Slaughter of sheep and lambs in January and February totaled only a little larger than a year earlier, despite the 6 percent more sheep and lambs on feed January 1 this year than last.

OUTLOOK - HOGS

BACKGROUND.- The 1939 pig crop was the largest in the 16 years of record. As a result, hog supplies in the 1939-40 marketing year were large and hog prices declined to the lowest level reached since 1934. The hog-corn price ratio was unfavorable for hog production throughout 1940, and this was reflected in a reduction in the number of pigs raised during the year and in an early market movement of the 1939 spring pig crop. Hog prices advanced sharply in late December and early January, and the ratio of hog prices to corn prices has again become favorable for hog production.

Seasonal increase in hog marketings

A seasonal increase in hog marketings probably will take place during the next month or so as the market movement of fall pigs gets under way. The increase probably will be no larger than that of last summer, however, as the proportion of total hogs on farms January 1 represented by fall pigs and sows is about the same as at the beginning of 1940. Because the number of sows expected to farrow this spring is smaller than in 1940, marketings

of packing sows this summer will be smaller. The number marketed may be further reduced by the holding back of a larger number of sows for fall farrow this summer than last.

Marketings of hogs during the last half of the
marketing year smaller than a year earlier

The number of hogs marketed for slaughter during the last half of the 1940-41 marketing year (April-September) probably will be around 15 percent smaller than a year earlier. The number of hogs on farms January 1 totaled 53 million head, roughly 7 million head (about 12 percent) less than a year earlier. With the exception of sows retained for breeding purposes in the following spring, most of the hogs on farms at the beginning of the year will be marketed or slaughtered on farms during the following 9 months (January-September). As farm slaughter does not fluctuate greatly from year to year, there is a close relationship between hog slaughter during the January-September period and hogs numbers on January 1. On the basis of this relationship the number of hogs slaughtered under Federal inspection during the last three-quarters of the 1940-41 marketing year is expected to total around 29 to 30 million head, roughly 15 percent less than a year earlier. This number is slightly larger than estimates given in earlier issues of The Livestock Situation, and slaughter for the entire marketing year probably will total 45 million head or more.

Inspected hog slaughter in the past 2 months, January-February, totaled 14.5 percent less than in those months last year, and inspected slaughter in the remainder of the marketing year will show a similar reduction from a year earlier.

Hog production in 1941

The outlook for hog production in 1941 has not changed materially during the last few months. On the basis of breeding intentions reported on December 1, the number of sows farrowed this spring will be substantially smaller than a year earlier. The recent increase in the hog-corn price ratio was probably too late to affect materially production plans for the 1941 spring pig crop. Present indications are that the hog-corn price ratio will continue favorable for hog production throughout 1941. This will probably be reflected in an increase in this year's fall pig crop and in the spring crop of 1942. The increase in the fall pig crop will not result in increased market supplies of hogs before next spring, however.

OUTLOOK - CATTLE

BACKGROUND.- From early 1934 to early 1938 cattle numbers in the United States were greatly reduced, largely as a result of the severe droughts of 1934 and 1936. Slaughter of cattle and calves was relatively large during this period. Since 1938 cattle numbers have again increased. As a result of the holding back of breeding stock for herd building purposes, slaughter of cattle and calves was reduced moderately in 1938 and 1939, but it increased slightly in 1940.

There has been little change in the 1941 outlook for cattle during the past month. Following is a summary of the important points in the cattle outlook as given in earlier issues of The Livestock Situation:

1. The number of cattle on feed in the United States on January 1 was one of the largest on record for that date. In the Corn Belt there was an increase over a year earlier of about 11 percent, and in the Western States the increase amounted to about 10 percent. A larger-than-usual proportion of the cattle shipped into the Corn Belt last fall and early winter were lightweight stocker and feeders. This and other information indicate that most of the increase in marketings of grain-fed cattle in 1941 over a year earlier will occur in the last half of the year.
2. Total slaughter supplies of cattle and calves in 1941 are expected to be a little larger than in 1940. The increase is expected to be more than offset by stronger consumer demand for meats this year than last, however, and cattle prices are expected to average somewhat higher in 1941 than in 1940.

Four periods of increasing cattle numbers, 1896-1941

Year	Cattle numbers on farms, Jan. 1	Increase over low point in the cattle cycle	
		Number	Percentage
	Thousands	Thousands	Percent
<u>1896-1904</u>			
1896	49,205	---	---
1897	50,447	1,242	2.5
1898	52,868	3,663	7.4
1899	55,927	6,722	13.7
1900	59,739	10,534	21.4
1901	62,576	13,371	27.2
1902	64,418	15,213	30.9
1903	66,004	16,799	34.2
1904	68,442	17,237	35.0
<u>1912-1918</u>			
1912	55,675	---	---
1913	56,592	917	1.6
1914	59,461	3,786	6.8
1915	63,849	8,174	14.7
1916	67,438	11,763	21.1
1917	70,979	15,304	27.5
1918	73,040	17,365	31.2
<u>1928-1934</u>			
1928	57,322	---	---
1929	58,877	1,555	2.7
1930	61,005	3,681	6.4
1931	63,030	5,708	10.0
1932	65,770	8,448	14.7
1933	70,214	12,892	22.5
1934	74,262	16,940	29.5
<u>1938-1941</u>			
1938	66,083	---	---
1939	66,789	706	1.1
1940	68,801	2,718	4.1
1941	71,666	5,583	8.4

3. The number of cattle and calves on farms and ranches has increased in each of the past 3 years, and interest is now centered upon when and how large a peak in numbers will be reached before the downward phase of the cycle again gets under way. As is shown in the accompanying table, in other periods of increasing cattle numbers the upward trend in the cattle cycle continued for 6 or 8 years, although the upswing from 1928 to 1934 probably was cut short by the 1934 drought. Since 1938 cattle numbers have been increased by about 5.7 million head, and they are now only 2.6 million head under the peak reached in 1934. In some States, particularly the Corn Belt, cattle numbers are now above the 1934 level, but in the Great Plains area they are still substantially smaller than they were at the beginning of 1934. In view of the fact that cattle prices are now high in relation to prices of feed and other farm products, it seems probable that farmers and ranchers will continue to build up herds for 2 or 3 more years, and the 1934 peak will be exceeded before the downward trend in numbers gets under way.
4. The upward trend in cattle numbers has now reached the point at which the annual marketings of cattle and calves for slaughter can increase moderately at the same time that herds are being built up further. But if a downward trend in numbers gets under way and marketings are increased by the liquidation of breeding stock, total slaughter of cattle and calves is expected to be exceptionally large for a few years. Should this situation occur at a time when consumer demand conditions are much less favorable than at present, cattle prices may fall to relatively low levels.

OUTLOOK - LAMBS

BACKGROUND.— The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since 1935. The lamb crop in the Western Sheep States also has increased moderately since 1935, but the crop in the Native Sheep States has changed little since 1931. The 1939 lamb crop totaled 32.7 million head and was the largest crop in the 17 years of record.

Early lamb crop larger this year than last

The early lamb crop is somewhat larger this year than last, according to information released recently by the Agricultural Marketing Service. Weather conditions this year have been exceptionally favorable for lambing and death losses have been light. Feed supplies are ample in all regions, and early lambs are expected to develop rapidly. The number marketed before July 1 probably will be larger this year than last.

In the early lambing areas of the Pacific Coast and adjoining States, the season has been characterized by abundant to excessive rainfall with mild temperatures, early growth of pastures and ranges, and plentiful supplies of all kinds of feed. Except in limited areas of excessive rainfall, a good percentage of lambs was saved and so far they have made good growth.

In the eastern early lambing States the weather has been mild and unusually dry, with little green feed from grain pastures but plentiful supplies of dry feeds. A larger than average percentage of ewes lambed before March 1 and death losses of lambs were smaller than they were last year and below average. Weather and feed conditions were also favorable for early lambing in Corn Belt areas. In Texas excessive rainfall in January and February handicapped the growth of early lambs somewhat but insured good spring feed.

Conditions in the important early lambing States are reported as follows:

California: Rainfall was heavy in California during the past winter, but temperatures were mild and supplies of new feed are plentiful. In some sections excessive rainfall and floods damaged feed in lower areas, and for some weeks the new grass has been of only fair quality. The early lamb crop is a little larger this year than last and on the whole the lambs have developed well to date. With prospects favorable for good feed through the spring months, a large part of the early lambs is expected to reach slaughter condition. A large proportion of the early lambs already has been contracted for, but marketings are expected to average later than in either 1939 or 1940.

Arizona: Weather and feed conditions during the winter months were quite favorable for early lambs; losses were light, and the lambs have made good growth. The early crop is about as large this year as last, but because of the later date of Easter, volume shipments probably will be later.

Texas: The number of early lambs in Texas is larger this year than last but too many rainy and cloudy days in January and February prevented the best development of the lambs. New feed was good by the end of February, and, with seasonal spring weather, lambs and sheep are expected to do well. The number of both spring lambs and grass-fed yearling lambs and wethers marketed before July 1 this year is expected to exceed last year's number.

Southeastern States: Weather conditions since January 1 were quite favorable for lambing, with mild temperatures and little rain or snow.

Sheep have been on pastures most of the time. Although green feed from grain pastures has been short, other feeds have been abundant and early lambs have developed well. Tennessee: The weather has been favorable and early lambs are reported to be in good to excellent condition. Winter grain pastures made little growth but other feed was plentiful. There are more early lambs this year as death losses have been much lighter. Marketings in April and May are expected to exceed those of last year.

Kentucky: The unusually mild, dry winter was favorable for lambing. Feed supplies were plentiful, but grain and other pastures have been closely pastured and need moisture. Losses have been light and lambs are reported in good condition. The number of early lambs is about the same as the number last year. Virginia: A larger than usual proportion of ewes lambed before March 1 this year, but the weather was favorable for lambing and death losses were small. Grain pastures have been short but other feed is plentiful. Both ewes and lambs are reported in good condition.

Missouri and other Corn Belt States: The weather since January 1 was favorable for the early lamb crop in Missouri and generally in the other early lambing areas in the Corn Belt. Feed supplies have been abundant and relatively cheap. The number of early lambs in Missouri is expected to be larger this year and both ewes and lambs are reported in good condition.

Northwestern States: Weather conditions have been quite favorable for early lambing in the three Northwestern States. The winter was mild, with plenty of moisture but no bad storms. Green feed has been available in pastures in some areas all winter and prospects for spring pastures and ranges are excellent. Early lambs have made good progress with small losses. Idaho: With mild weather and plenty of feed, the early lambing season has been favorable and a good percentage of lambs has been saved. Moisture conditions are favorable for good early spring range feed. Washington: Weather conditions since January 1 have been unusually favorable for early lambs, especially in the western part of the State. Lambing was somewhat earlier than usual and the lambs have grown well. With a favorable spring season more lambs will be marketed before July 1 this year than last. Oregon: Conditions have been exceptionally favorable for the early lamb crop. Losses have been small and the lambs have made excellent growth. Marketings of lambs before July 1 may exceed those of last year.

Total lamb crop may be a little larger
this year than last

If weather and feed conditions continue favorable for lambing during the spring, the total 1941 lamb crop is likely to be a little larger than the record crop of 32.7 million head raised last year. The number of breeding ewes on farms and ranches January 1, 1941 is estimated to have been nearly 500,000 head larger than a year earlier. Sheep are reported to have wintered well in the Western Sheep States and are in better condition this spring than last. Spring feed conditions also are generally favorable, and it seems likely that the number of lambs saved per 100 ewes will be at least as large as the number saved last year. The lamb crop has not fluctuated greatly during the past 10 years, however, and the increase will not be large.

Seasonal increase in marketings expected

Marketings of sheep and lambs for slaughter are expected to increase seasonally during the next month or so, and supplies may be a little larger than a year earlier. The number of fed-lambs remaining in the Colorado and western Nebraska feeding areas on March 1 was smaller than a year earlier, but the supply of fed lambs remaining for market in all areas probably was at least as large as on that date last year. Marketings of grass fat yearlings from Texas are expected to be larger this year than last.

Lamb prices may average a little
higher this year than last

Although slaughter supplies of sheep and lambs may be a little larger in 1941 than in 1940, lamb prices will be supported by stronger consumer demand for meats and higher prices for wool than a year earlier.

THE WOOL SITUATION 1/

Interest in the domestic wool market has shifted to the Western States where contracting of the 1941 clip has begun in volume. Prices of new clip wool are considerably higher than in the early months of the 1940 wool marketing season. With domestic demand and supply conditions favorable for the marketing of the new clip, farmers probably will receive a larger income from wool this year than last. The 1940 farm income from shorn wool was about 30 percent greater than in 1939; it was larger than in most recent years.

Mill consumption of apparel wool in January, though slightly smaller than the record consumption in December, was the largest January consumption on record. Army orders now held by mills call for the delivery of large quantities of wool cloth in the first half of 1941, and recent proposals for bids indicate that mill consumption for military uses will be large in the second half of the year also. With further increases in consumer incomes and retail sales also in prospect total consumption in 1941 is expected to be larger than in 1940.

Imports of apparel wool in recent months have been larger than at any time since 1923. But mill consumption also has been large and the carry-over of wool in this country into the 1941 season, which begins about April 1, probably will be relatively small.

Total supplies of wool in foreign countries available for shipment to the United States are still relatively large. Since last May, shipments of wool to continental European countries have been largely cut off by the British blockade, leaving the United States, Great Britain, and Japan as the only important markets for exports from the Southern Hemisphere. More than 80 percent of the shipments from Argentina and Uruguay in the first 4 months (October-January) of the current season were to the United States. The availability of this wool to the United States, of course, is dependent upon the maintenance of adequate shipping facilities.

Production of wool in the five principal producing countries of the Southern Hemisphere in the 1940-41 season, totaling 2,104 million pounds, is estimated to be about 4 percent smaller than in the previous season, but about 4 percent larger than the average for the 5 years 1934-38. The 1940 production of wool in the United States, both shorn and pulled, totaled 449,763,000 pounds and was the largest on record.

1/ From the March 1941 issue of The Demand and Price Situation. For detailed information copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Supplies of hogs and hog products, specified periods

Item	Unit	1940		Oct.-Sept.			Oct.-Jan.		
				Average:					
		Jan.	Dec.	Jan. 1941	1928-29	1938-39	1939-40	1940-41	
					to	39	40	40	41
					1932-33:				
Hog slaughter under									
Federal inspection:	Thou.								
No. slaughtered	1/	5,356	6,063	4,517	46,363	39,720	47,651	18,574	20,482
Live weight:									
Average	Lb.	233	228	235	231	234	234	230	228
Total	mil. lb.	1,248	1,380	1,052	10,723	9,311	11,142	4,280	4,658
Total dressed wt.	" "	939	1,021	789	8,069	6,975	8,303	3,200	3,456
Yield of lard per									
100 lb. live wt.									
of hogs	Lb.	14.3	13.2	13.2	15.2	2/12.8	2/13.2	13.4	12.5
Production of lard	mil. lb.	178	182	125	1,630	1,187	2/1,485	578	567
Exports: 3/									
Pork	" "	29	3	2	211	125	115	60	12
Lard	" "	28	12	14	657	270	232	92	46
Imports of pork	5/	1	1	1	6	50	7	3	2
Proportion of sows									
in inspected									
slaughter	5/	45.5	46.8	47.3	51.2	49.3	50.0	46.1	48.4

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.
 3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 4/ Less than 500,000 pounds. 5/ Includes gilts.

Prices of hogs and hog products, specified periods

Item	Unit	1941		Oct.-Sept.			Oct.-Feb.		
				Average:					
		Feb. 1940	Jan. 1941	Feb. 1941	1928-29	1938-39	1939-40	1940-41	
					to	39	40	40	41
					1932-33:				
Av. price, all purchases:	Dol. per:								
Seven markets	100 lb.	4.95	7.53	7.50	1/	6.85	5.54	5.56	6.62
Chicago	" "	5.12	7.70	7.71	6.99	7.00	5.69	5.73	6.81
Av. price of barrows and									
gilts, Chicago	" "	5.19	7.31	7.73	1/	7.23	5.86	5.82	6.89
United States average price:									
received by farmers	" "	4.97	7.26	7.19	6.48	6.70	5.44	5.51	6.30
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago	bu.	58	64	62	62	49	60	54	63
Hog-corn price ratio:									
Chicago	2/ Bu.	8.9	12.1	12.4	11.6	14.4	9.6	10.7	10.8
N. Central States	"	9.9	14.4	14.1	12.9	16.6	10.6	12.1	12.1
Proportion of packing sows									
in total packer & shipper									
purchases, 7 markets	3/	5.0	6.0	5.0	1/	13.0	12.0	7.0	7.0
Av. weight at 7 markets	Lb.	243	240	246	1/	247	244	238	235

Compiled from reports of Agricultural Marketing Service.

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month					
		Average:		1940		1940-41			
		1924-33:	1940	Jan.:	Feb.:	Dec.:	Jan.:	Feb.:	
Slaughter under Federal in-									
pection:									
Number slaughtered:	Thou-	:	:	:	:	:	:	:	:
Cattle 1/	sands	:	8,850	9,756	827	715	858	891	717
Calves 1/	"	:	4,819	5,359	416	378	437	411	384
Cows and heifers 2/	"	:	4,181	4,481	371	306	459	445	
Steers 2/	"	:	4,340	4,866	426	383	370	413	
Average live weight:	:	:	:	:	:	:	:	:	:
Cattle	Pounds:	:	953	940	962	961	939	961	
Calves	"	:	176	191	193	180	197	191	
Total dressed weight:	:	:	:	:	:	:	:	:	:
Cattle	Hil.lb.:	:	4,532	4,971	431	377	423	453	
Calves	" "	:	487	568	44	38	46	44	
Inspected shipments: 1/	Thou-	:	:	:	:	:	:	:	:
Feeder cattle and calves	sands	:	2,894	3,162	148	118	212	195	
Imports:	:	:	:	:	:	:	:	:	:
Cattle 3/	"	:	253	644	70	39	40	78	
Canned beef 4/	Hil.lb.:	5/	36	61	8	6	4	5	

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, February 1941, with comparisons

Item	Feb.	Feb.	Feb.	Dec.	1941	
	average:	1939	1940	1940	Jan.	Feb.
	1924-33:					
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	11.50	11.98	10.89	13.92	14.19	13.56
Good	10.29	10.23	9.53	11.86	12.21	11.64
Medium	9.00	8.94	8.36	9.62	10.13	9.90
Common	7.70	8.09	7.30	7.83	8.34	8.45
All grades	9.41	10.17	9.08	11.85	11.90	11.27
Cows, Chicago:						
Good	6.50	7.00	6.68	7.25	7.90	8.12
Low Cutter and Cutter	4.04	4.94	3/ 4.65	3/ 4.84	3/ 5.13	5.40
Vealers, Chicago:						
Good and Choice	11.30	10.21	10.66	10.56	12.23	12.56
Stocker and feeder steers,						
Kansas City:						
Average price all weights	4/ 8.10	8.79	8.12	8.76	10.16	10.00
Average price paid by packers:						
All cattle	7.39	7.87	7.46	7.97	8.57	
Steers	5/	9.47	8.52	10.45	10.64	
Calves	9.35	9.24	8.76	8.09	9.62	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926. 3/ Average of Cutter and Common, and Canner. 4/ Average 1925-33. 5/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av. 1924-	1940	Av. 1924-33		1940		1940-41	
		33	1940	Jan.	Feb.	Jan.	Feb.	Dec.	Jan. Feb.
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered	Thou-								
ed 1/	sands:	14,737	17,351	1,219	1,086	1,598	1,313	1,416	1,625 1,391
Average live weight	Lb.	81	86	86	88	90	92	90	93
Average dressed weight	"	39	41	40	41	42	43	42	43
Total dressed weight	lb.	569	702	49	44	67	56	59	70
Lambs and yearlings:	Thou-								
Number slaughtered	sands:	13,678	16,253	1,134	1,017	1,517	1,242	1,336	1,537
Percentage of total									
sheep and lambs	Pct.:	92.8	93.7	93.0	93.6	94.9	94.6	94.4	94.6
Compiled from reports of Agricultural Marketing Service, except as specified.									
1/ Bureau of Animal Industry.									

Prices per 100 pounds of sheep and lambs, by months,
December-February 1938-39 to 1940-41

Item	1938-39			1939-40			1940-41		
	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago-									
Good and choice 1/	9.02	8.92	8.88	8.87	9.09	9.44	9.43	10.28	10.69
Slaughter ewes:									
Chicago-									
Common and medium	2.91	2.97	3.40	2.91	3.14	3.51	3.30	4.23	4.78
Feeding lambs, Omaha:									
Good and choice	8.07	8.23	8.24	8.15	8.48	8.38	8.57	9.28	9.70
Average price paid by packers:									
Sheep and lambs	8.31	8.46	8.54	8.30	8.60	8.81	8.63	9.54	
Average price received by farmers:									
Sheep	3.69	3.83	4.02	3.79	3.86	3.93	3.99	4.35	4.58
Lambs	7.08	7.33	7.37	7.38	7.57	7.61	7.88	8.34	8.60

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

Index numbers of income of industrial workers, and cash
income from meat animals, specified periods

Item	Calendar year			1940		Jan. 1941
	1938	1939	1940	Jan.	Dec.	
Income of industrial workers						
(1924-29 = 100)	73	83	1/ 94	93	107	1/ 109
Cash farm income from meat animals:						
(1924-29 = 100)	78	81	1/ 86	2/ 84	2/ 96	1/ 100
1/ Preliminary. 2/ Revised.						

United States
Cattle, by classes: Estimated number on farms, January 1, 1920-41

Year	For milk				Not for milk					
	Cows and	Heifers			Cows and	Heifers				
	heifers:	1 to 2	Heifer	Total	heifers:	1 to 2	Calves	Steers	Bulls	Total
	2 years:	years	calves		2 years:	years				
	old and	old			old and	old				
	over				over					
	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-
	sands	sands	sands	sands	sands	sands	sands	sands	sands	sands
1920	21,455	4,416	4,380	30,251	12,525	3,987	12,025	10,027	1,585	40,149
1921	21,456	4,166	4,174	29,796	12,292	3,891	11,697	9,466	1,572	38,918
1922	21,851	3,973	4,367	30,191	12,182	3,810	11,964	9,088	1,560	38,604
1923	22,136	4,159	4,358	30,655	11,974	3,727	10,929	8,717	1,544	36,891
1924	22,331	4,154	4,390	30,875	11,926	3,653	9,760	8,253	1,529	35,121
1925	22,575	4,177	4,306	31,058	11,204	3,208	9,225	7,197	1,481	32,315
1926	22,410	4,111	4,335	30,856	10,294	2,882	8,338	6,736	1,420	29,720
1927	22,251	4,110	4,439	30,800	9,439	2,655	7,792	6,093	1,399	27,378
1928	22,231	4,197	4,662	31,090	8,926	2,569	7,893	5,457	1,387	26,232
1929	22,440	4,450	5,012	31,902	8,997	2,704	8,224	5,623	1,427	26,975
1930	23,032	4,850	5,198	33,080	9,178	2,808	8,873	5,597	1,467	27,923
1931	23,820	4,961	5,187	33,968	9,817	3,016	8,909	5,798	1,522	29,062
1932	24,896	5,019	5,448	35,363	10,423	3,118	9,725	5,562	1,579	30,407
1933	25,936	5,249	5,672	36,857	11,330	3,406	11,209	5,758	1,654	33,357
1934	26,931	5,381	5,674	37,986	12,621	3,640	12,201	6,064	1,750	36,276
1935	26,069	4,989	5,257	36,315	10,994	3,330	10,920	5,304	1,666	32,214
1936	25,439	4,789	5,439	35,667	10,977	3,466	10,497	5,678	1,644	32,262
1937	24,993	4,957	5,305	35,255	10,873	3,306	10,439	5,304	1,626	31,548
1938	24,834	4,874	5,387	35,095	10,293	3,285	10,165	5,636	1,609	30,988
1939	25,088	5,125	5,684	35,897	10,115	3,204	10,698	5,278	1,597	30,892
1940	25,397	5,434	5,783	36,614	10,713	3,422	11,060	5,366	1,626	32,187
1941	25,917	5,545	5,929	37,391	11,249	3,830	11,532	5,983	1,681	34,275

Agricultural Marketing Service.

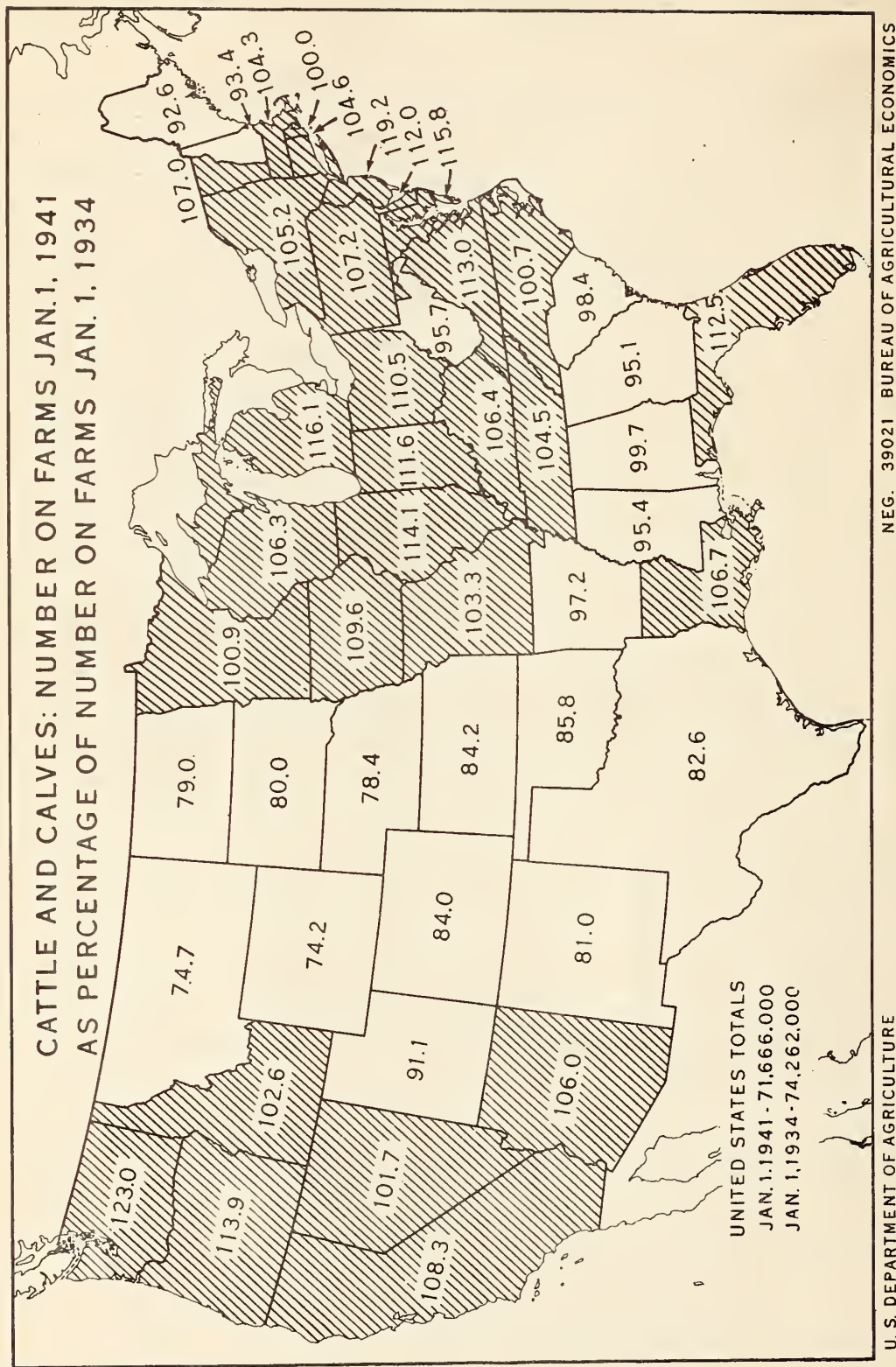


FIG. 2.- CATTLE NUMBERS INCREASED 2.9 MILLION HEAD LAST YEAR, AND ON JANUARY 1, 1941 THE TOTAL NUMBER OF CATTLE AND CALVES ON FARMS AND RANCHES WAS ONLY 2.6 MILLION HEAD LESS THAN THE PEAK NUMBER REACHED AT THE BEGINNING OF 1934. CATTLE NUMBERS ARE STILL BELOW THE 1934 LEVEL IN THE AREA EXTENDING SOUTHWARD FROM MONTANA AND NORTH DAKOTA TO NEW MEXICO AND TEXAS, BUT IN MOST OTHER STATES THEY ARE LARGER. THE UPWARD TREND IN CATTLE NUMBERS IS EXPECTED TO CONTINUE FOR THE NEXT 2 OR 3 YEARS.